

OVERVIEW OF BUSINESS ACTIVITY

**4th Quarter, 2009
(October, November, December 2009)**

State gross business income declined \$1.6 billion to \$163.1 billion in the fourth quarter of 2009, a 1 percent decrease over the fourth quarter of 2008.

Some industry groups continue to experience declines. Construction was down 25.4 percent and Wholesale Trade realized a decrease of 12.4 percent. Other significant industry declines were in Agriculture, Forestry and Fishing, dropping 23.2 percent to \$802.6 million, and Information at \$4.3 billion, down 4.8 percent.

Gross income increased in many industry groups. Manufacturing was up 16.6 percent to \$31.1 billion. Retail trade, as an industry, was also up, increasing 3.8 percent to \$30.4 billion. New and Used Auto Dealers were at \$2.8 billion, a 9.6 percent increase over fourth quarter of 2008. Again, almost all industry groups under Health Services were up. The industry as a whole increased 9.3 percent over the fourth quarter of 2008. Although Wholesale Trade as a whole was down, Machinery and Equipment wholesale trade was up 7.2 percent to \$2.8 billion. Real Estate Agents and Brokers were at \$968 million, a 5.5 percent increase over fourth quarter 2008. E-commerce and Mail Order increased again to \$4.63 billion, up 31.3 percent.

Please note that Household Appliances under the Manufacturing Industry was up 1,071.8 percent primarily as a result of NAICS code changes, not actual gross business activity.

Statewide, taxable retail sales were down 6.3 percent compared to the fourth quarter of 2008. However, some counties showed an increase in taxable retail sales; Asotin County was up 23.3 percent compared to fourth quarter of 2008, Benton County was up 3 percent, and Cowlitz County showed a 9.5 percent increase year over year. Most counties experienced declines in taxable retail sales with King County down 7.5 percent, Snohomish County down 3 percent, Spokane County down 4.8 percent, and Clark County down 7.5 percent.

The incorporated area of Fife had a taxable retail sales increase of 3.6 percent. Richland was also up, at \$216 million, a 7.4 percent increase. Olympia was up 4.5 percent and Kennewick was up 1.2 percent. Both Kent and Seattle were down 9.1 percent compared to fourth quarter of 2008. Bellevue was down 6.9 percent and Spokane dropped 5.0 percent to 969 million as compared to fourth quarter of 2008.